



DIVISION OF FINANCE

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Richard J. Weaver
Commissioner of Finance

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The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of March 31, 2011, and a comparison with the statements filed one year earlier. Also included is a comparison of financial statements of state-chartered and national banks.

During the previous twelve months, the number of state-chartered banks and trust companies decreased by eight from 287 to 279. Four banks merged into other institutions. Four state chartered banks closed in the twelve month period.

Assets in state-chartered banks totaled \$71.8 billion on March 31, 2011, a decrease of 8.6 percent from one year earlier. Deposits were \$56 billion, down 6.4 percent. Total loans were \$45.8 billion, down 12.4 percent. The decline in each of these categories is largely the result of two events. One large bank merged into its out of state affiliate. Another large bank sold a number of its out of state branches, including loans and deposits, to out of state banks.

Asset quality remains challenging for Missouri state-chartered banks, but there are signs of recovery. The level of foreclosed real estate remains high at 1.32 percent of total assets (as compared to 1.13 percent as of March 31, 2010, and 0.88 percent as of March 31, 2009), but the level of past due loans to total loans has improved from 5.36 percent a year ago to 4.94 percent as of March 31, 2011. Net loan losses in the first quarter were \$98 million for state-chartered banks, as compared to \$171 million in the first quarter of 2010.

The return on assets for the first quarter of 2011 was 0.73 percent, the highest in the last 11 quarters. Net interest margins remain healthy at 3.91 percent. Provision expense has decreased precipitously as first quarter 2011 expense totaled \$84 million, compared to \$142M in the first quarter of 2010. Despite a marked decline in the level of provision expense in the first quarter of 2011, the Allowance for Loan and Lease Losses rose slightly to 2.24 percent of total loans.

Overall, the condition of Missouri state banks is improving, and strong capital levels have been maintained throughout these challenging economic conditions.

A handwritten signature in cursive script that reads "Richard J. Weaver".

Richard J. Weaver
Commissioner of Finance

**COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF MARCH 31, 2011**

THOUSANDS OF DOLLARS	273 BANKS 3/31/2011	281 BANKS 3/31/2010	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$45,803,444	\$52,311,902	(\$6,508,458)	-12.4%
Allowance for Loan Losses	1,024,885	1,134,564	(109,679)	-9.7%
Total Assets	71,781,894	78,531,571	(6,749,677)	-8.6%
LIABILITIES				
Total Deposits	59,990,540	64,101,055	(4,110,515)	-6.4%
Total Equity Capital	6,929,427	7,778,682	(849,255)	-10.9%

OPERATING RATIOS	3/31/2011	3/31/2010	CHANGE
Equity Capital/Assets	9.65%	9.91%	-0.25%
Tangible Equity Capital/Assets	8.98%	8.75%	0.23%
Capital and Allowance for Loan Losses/Assets	10.93%	11.19%	-0.26%
Total Loans/Assets	63.81%	66.61%	-2.80%
Past Due and Nonaccrual Loans/Total Loans	4.94%	5.36%	-0.42%
Allowance for Loan Losses/Total Loans	2.24%	2.17%	0.07%
Average Net Interest Margin	3.91%	3.85%	0.06%
Return on Assets	0.73%	0.11%	0.62%

NOTES:

The above tables do not include six nondeposit trust companies.

**COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF MARCH 31, 2011**

MILLIONS OF DOLLARS	3/31/2011			3/31/2010	PERCENT CHANGE
	273 STATE BANKS	32 NATIONAL BANKS	305 ALL BANKS	316 ALL BANKS	
ASSETS					
Cash and Due from Banks	5,920	3,693	9,613	9,941	-3.3%
Investment Securities	15,326	15,546	30,872	25,786	19.7%
Total Loans and Leases	45,804	20,308	66,112	75,173	-12.1%
Less: Reserves	1,025	387	1,412	1,687	-16.3%
Federal Funds Sold	783	1,189	1,972	1,999	-1.4%
Fixed Assets	1,524	825	2,349	2,426	-3.2%
Other Real Estate	946	96	1,042	1,174	-11.2%
Intangible Assets	528	328	856	1,251	-31.6%
Other assets	1,976	811	2,787	3,337	-16.5%
TOTAL ASSETS	\$71,782	\$42,409	\$114,191	\$119,400	-4.4%
LIABILITIES					
Total Deposits	59,990	34,687	94,677	96,624	-2.0%
Deposits over 100M	10,465	3,616	14,081	15,633	-9.9%
Brokered Deposits	3,593	228	3,821	6,765	-43.5%
Federal Funds Purchased	1,968	3,051	5,019	5,173	-3.0%
Other liabilities	2,895	842	3,737	6,314	-40.8%
Total Equity Capital	6,929	3,829	10,758	11,289	-4.7%
TOTAL LIABILITIES	\$71,782	\$42,409	\$114,191	\$119,400	-4.4%
EARNINGS					
Interest Income	791	370	1,161	1,280	-9.3%
Interest Expense	172	45	217	338	-35.8%
Net Interest Income	619	325	944	942	0.2%
Provision for Loan Losses	84	35	119	223	-46.6%
Net Income	130	99	229	142	-61.3%
Cash Dividends	62	55	117	79	48.1%
Net Loan Losses	98	37	135	245	-44.9%